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SHORT REPORT ON TRAINING OF COUNCIL INTERNAL AUDITORS

October 2010

This publication was produced for review by the United States Agency for International Development. It was prepared by the Wajibika project.

Recommended Citation: Wajibika project. October 2010. *Short Report on Training of Council Internal Auditors* Bethesda, MD. Wajibika project, Abt Associates Inc.

Contract No.: GHH-I-00-07-00064-00

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SHORT REPORT ON TRAINING OF COUNCIL INTERNAL AUDITORS

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government

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ACRONYMS

IIA	Institute of Internal Auditors
IIAT	Institute of Internal Auditors Tanzania
IPPF	International Professional Practice Framework

ACKNOWLEDGEMENTS

The Wajibika team would like thank USAID for the support provided to make this undertaking possible, and Abt Associates Inc. staff for continued technical support. We also appreciate the continued collaboration we have enjoyed from the Regional Secretariats, in particular Assistant Administrative Secretaries-Local Government of all four regions, and Council Directors. Similar appreciation goes to councilors and external members of the council audit committee, for their participation. Last but not least we wish to recognize the facilitation provided by Public Procurement Regulatory Authority officers. We are indebted to them all.

I. INTRODUCTION

At the end of 2009, USAID awarded Abt Associates Inc., under the AIDSTAR II mechanism, a project called "Wajibika," which is a Kiswahili word meaning "be accountable." Wajibika supports the Government of Tanzania's initiatives to strengthen Local Government Authorities' financial and programmatic accountability. As part of this effort, Wajibika conducted a rapid baseline assessment in Iringa for the period from February through March 2010, and identified weaknesses in different areas including in the operations of Internal Auditors in all the Councils reviewed.

For example, the councils have an internal audit (IA) section, headed by a Chief Internal Auditor. The IA sections in all of the councils visited had inadequate staff, with inadequate working tools. Interviews held with IA staff revealed that they had been auditing the financial activities and performance of the council's projects as part of their regular audits. However, there was no evidence suggesting that the IA was auditing the operation with respect to corporate governance—that is, a set of processes, norms, customs policies, and laws directing the way the council is run.

The assessment revealed that Internal Auditors were not competent to deal with some technical issues—for instance, the laws relating to procurement of construction services and medicines. Similarly, the team also observed that technical audit in the councils had never been carried out. Additionally, none of the visited councils that had the Epicor system possessed a single auditor who was conversant with the system. The team also observed that in all eight councils visited, there was no evidence suggesting that the Internal Audit Manual was used as the management tool for auditing. None of the visited councils had a Risk Management Policy.

The Wajibika team proposed appropriate interventions to rectify the situation; the training described in this report was a response to these suggestions, and was aimed at strengthening the area of internal auditing. Internal Audit is an important component of a Council's internal control system and helps to ensure that financial transactions are in accordance with government procurement and other financial management regulations. The internal audit function also ensures that Council spending is in line with its Plan of Action, hence making it more likely to accomplish its programmatic goals. Internal auditors with adequate knowledge/skills on technical issues increase accountability overall and greatly reduce the chances of a Council receiving an unfavorable audit report from the government Controller and Auditor General at the end of the fiscal year. Wajibika conducted training for Regional and Council internal auditors, in collaboration with the Institute of Internal Auditors (IIA), Tanzania Chapter, from September 13 through November 26, 2010. Eighty-one auditors attended the training.

Established in 1941, the IIA is an international professional association with more than 170,000 members. Throughout the world the IIA is recognized as the internal audit profession's leader in certification, education, research, and technical guidance. The Institute of Internal Auditors Tanzania (IIAT) has been an affiliate of the IIA since 2006.

2. PURPOSE OF TRAINING

The training was intended to enhance auditors' knowledge in:

- Developing a risk-based annual audit plan which includes identifying high-risk departments and the processes on which they should focus their audit efforts during the year.
- Conducting risk-based audits.
- Writing a high-impact internal audit report which will drive management actions.

Auditors were also exposed to the International Professional Practice Framework (IPPF), a body of knowledge issued by the IIA that internal auditors across the globe use as a guide in performing audits that add value to their organizations.

The training was done in three batches. The following table shows the date, number of trainees and place of training:

Region	Date trained	No. trained	Venue
Iringa	Sept 13-17, 2010	21	Wilolesi Hill Top Hotel, Iringa
Dodoma and part of Pwani	Nov 15-19, 2010	30	VETA Mikumi- Morogoro
Morogoro and part of Pwani	Nov 22-26, 2010	30	ADEM Bagomoyo-Pwani Region

The names of those trained are available.

The facilitators wrote a detailed training report documenting each session. These reports have been appended, and are as follows:

1. Institute of Internal Auditors' training report, Iringa.
2. Institute of Internal Auditors' training report, Dodoma and Pwani.
3. Institute of Internal Auditors' training report, Morogoro and Pwani.

3. SUMMARY OF ISSUES ORIGINATING FROM THE TRAINING

1. There should be post-training follow-up to assess the impact of the training on the way the auditors do their jobs.
2. Council authorities asked Wajibika to pay for the registration of internal auditors with the Institute of Internal Auditors. This will enable them to access current materials and to sit for the Certified Internal Auditor Examination. Registering costs at least 75 US dollars per auditor.
3. At the end of the training, Wajibika was asked to support a meeting, lasting at least one to two days, of the top executives in the councils and the Secretariat, to inform them of the major results of the internal auditors' training, and to ask them to work closely with the auditors to ensure better management of resources.

ANNEX 1.

THE INSTITUTE OF INTERNAL AUDITORS, TANZANIA CHAPTER

REPORT ON TRAINING HELD FROM 09/13/2010 THROUGH 09/17/2010 AT IRINGA MUNICIPALITY

The IIA Tanzania was offered an opportunity to train the internal auditors in Iringa District Councils. This training covered audit report writing, risk-based auditing and creating an internal audit development plan. Twenty-one internal auditors from all Iringa District Councils attended.

The training was well-received, although attendees preferred anonymity when providing feedback on the forms. All attendees (100%) strongly agreed that the venue was good but also pointed out that venue location was not convenient. In evaluating the training after receiving it, 52.9% strongly agreed that the Workbook was well-organized and clearly written, 41.2% agreed, and 5.9% of the attendees disagreed. 76.4% strongly agreed that the Workbook was valuable and a useful aid to learning; 23.5% agreed. When asked whether the case studies and exercises added value to the course, 70.6% strongly agreed, and 29.4% agreed. 88.2% strongly agreed that the session's objectives were clearly defined, and 11.8% agreed. Asked whether the training had met these objectives, 52.9% strongly agreed and 47.1% agreed.

58.8% strongly agreed that the session's topics were timely and relevant, while 35.3% agreed and 5.9% disagreed. 58.8% strongly agreed that the session's overall quality was excellent, and the other 41.2% agreed. 82.4% strongly agreed that the knowledge and skill gained will improve individual performance on the job; the other 17.6% agreed.

The participants also evaluated the facilitators. Almost all participants agreed or strongly agreed that the facilitators' performance was very good. The table provides specifics:

PARAMETERS	MR. A. MBOGELLA		MR. A. CHACHA	
	AGREE (%)	STRONGLY AGREE (%)	AGREE (%)	STRONGLY AGREE (%)
Clear and informative when presenting materials	35.3	64.7	29.4	70.6
Well-prepared and confident	29.4	70.6	29.4	70.6
Well-organized	35.3	64.7	35.3	64.7
Knowledgeable about the subject	17.6	82.4	11.8	88.2
Clear and spoke loudly enough	17.6	82.4	23.5	76.5

Able to provide appropriate real-life examples	23.5	76.5	29.4	70.6
Helpful and encouraged class participation	29.4	70.6	17.6	82.4
Responsive to my needs and questions	23.5	70.6	29.4	64.7

Other issues raised by participants included:

Trainees said they would like further training on procurement, payroll, risk-based, and contract auditing; computerized audit systems; and writing audit reports. Attendees said they were not prepared to buy the IPPF for self-study.

- The training facilitators had some problems with time management; future sessions should have a time-keeper to alert them that their time on a given section is nearly up.
- Respondents should be assured in advance that their feedback will remain anonymous.
- The venue should be centrally located, so attendees can reach it easily.
- In the next events the cost of the IPPF should be included in the participation fee and each attendee should get a copy of the IPPF.

ANNEX 2.

THE INSTITUTE OF INTERNAL AUDITORS, TANZANIA CHAPTER

REPORT ON MIKUMI TRAINING FOR DODOMA AND PWANI INTERNAL AUDITORS

HELD FROM 11/15/2010 THROUGH 11/19/2010 AT MIKUMI TOWNSHIP

The IIA Tanzania was offered an opportunity to train District Councils' internal auditors. The training was held at Mikumi Township in Morogoro Region. It covered audit report writing, risk-based auditing, and an internal audit development plan. Thirty internal auditors from District Councils attended. In evaluating the training afterward, 83.3% strongly agreed that the workbook was well-organized and clearly written; the remainder were evenly split (8.3% disagreed and 8.3% agreed). 91.7% strongly agreed that the Workbook was valuable and a useful aid to learning and 8.3% agreed. 100% strongly agreed that the course material was up to date, and that the case studies and exercises added value to the course. 83.3% strongly agreed that the session's objectives were clearly defined, and the remaining 16.7% agreed. 100% strongly agreed that the session's objectives were met, and that the knowledge and skill gained will improve individual performance on the job. 91.7% strongly agreed that the session's topics were timely and relevant; the other 8.3% agreed. 75% strongly agreed and 25% agreed and that the session's overall quality was excellent.

Almost all participants agreed or strongly agreed that the facilitators' performance was very good:

PARAMETERS	MR. A. MBOGELLA		MR. A. CHACHA	
	AGREE (%)	STRONGLY AGREE (%)	AGREE (%)	STRONGLY AGREE (%)
Clear and informative when presenting materials	8.3	91.7	8.3	91.7
Well-prepared and confident	8.3	91.7		100
Well-organized		100		100
Knowledgeable about the subject		100		100
Clear and spoke loudly enough		100	8.3	91.7
Able to provide appropriate real-life examples	8.3	91.7		100
Helpful and encouraged class participation		100		100
Responsive to my needs and questions	8.3	91.7	16.7	83.3

Other issues raised by participants included:

Trainees said they would like further training on risk-based auditing, on audit investigation, and on writing audit reports. One participant summed it thus: "This was a unique workshop for workers who have hitherto been forgotten. We are very thankful for all who have made this happen".

ANNEX 3.

THE INSTITUTE OF INTERNAL AUDITORS, TANZANIA CHAPTER REPORT ON BAGAMOYO TRAINING FOR PWANI AND MOROGORO HELD FROM 11/22/2010 THROUGH 11/26/2010 AT BAGAMOYO TOWNSHIP

The IIA Tanzania was offered an opportunity to train the District Councils' internal auditors. The training covered audit report writing, risk-based auditing, and the internal audit development plan. Thirty internal auditors from District Councils attended. After the training, 53.3% of trainees strongly agreed that the Workbook was well organized and clearly written, and the other 46.7% agreed. Sixty percent strongly agreed and 40% agreed that the Workbook was a valuable and useful aid to learning, and that the course material was up to date. Sixty percent agreed and 40% strongly agreed that the case studies and exercises added value to the course.

46.7% of the attendees each agreed and strongly agreed that the session's objectives were clearly defined; the other 6.6% strongly disagreed. 60% agreed and 40% strongly agreed that the session's objectives were met. 53.3% agreed and 40% strongly agreed that the session's topics were timely and relevant; 6.6% disagreed. 53.3% agreed and 46.7% strongly agreed that the session's overall quality was excellent; 40% agreed and 60% strongly agreed that the knowledge and skill gained will improve individual performance on the job.

Most participants agreed or strongly agreed that the facilitators' performance was very good:

PARAMETERS	MR. E. JOHANNES		MR. P. MBELWA	
	AGREE (%)	STRONGLY AGREE (%)	AGREE (%)	STRONGLY AGREE (%)
Clear and informative when presenting materials	66.7	33.3	60 [26.7 disagree]	13.3
Well-prepared and confident	46.7	53.3	46.7 [26.7 disagree]	26.7
Well-organized	66.7	33.3	60 [13.3 disagree]	26.7
Knowledgeable about the subject	60	40	53.3 [6.6 disagree]	40
Clear and spoke loudly enough	40	60	33.3 [33.3 disagree]	33.3
Able to provide appropriate real-life	66.7	33.3	60 [20 disagree]	13.3 6.6 [strongly disagree]

examples				
Helpful and encouraged class participation	33.3 [13.3 disagree]	53.3	46.7 [13.3 disagree]	33.3 6.6 [strongly disagree]
Responsive to my needs and questions	66.7 [6.6 disagree]	26.7	46.7 [13.3 disagree]	33.3 [6.6 strongly disagree]

PARAMETERS	MR. A. MBOGELLA		MR. A. CHACHA	
	AGREE (%)	STRONGLY AGREE (%)	AGREE (%)	STRONGLY AGREE (%)
Clear and informative when presenting materials	46.7	53.3	13.3	86.7
Well-prepared and confident	40	60	6.7	93.3
Well-organized	40	60	6.7	93.3
Knowledgeable about the subject	33.3	66.7	13.7	86.7
Clear and spoke loudly enough	26.7	73.3	13.7	86.7
Able to provide appropriate real-life example	46.7	53.3	26.7	73.3
Helpful and encouraged class participation	53.3	46.7	13.3	86.7
Responsive to my needs and questions	53.3	46.7	6.7	93.3

Other issues raised by workshop participants included:

- Trainees said they would like further training on risk-based auditing, writing audit reports, computerized audit systems, information technology audits, and the International Professional Practice Framework.
- Trainees generally agreed that the location was very convenient; but they noted that the facilitators had problems with time management, and need a time-keeper.
- In the coming year, Wajibika should help to strengthen Tanzania's financial management processes, using internal and external controls such as periodic audits and supervision from the regional or central level, and comparisons of program outputs to expenditures. Trainings of this type will be a part of that strengthening effort.